

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE REPORT
OF MULTI-STATE EXAMINATION OF
NATIONAL COUNCIL ON
COMPENSATION INSURANCE, INC.**

A.I.D NO. 2012-426

ARKANSAS ADOPTION ORDER

Now on this day the matter of the Report of Examination (“Report”) as of December 31, 2010, of The National Council on Compensation Insurance, Inc. (“NCCI”) is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas (“Commissioner”). From the facts, matters and other things before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over NCCI and the subject matter involved herein.
2. NCCI is a Florida-domiciled rate service or advisory organization, which is authorized and licensed by the Commissioner to transact business in the State of Arkansas. NCCI maintains the nation’s largest database of workers’ compensation insurance information.
3. The Report is the result of a multi-state market conduct examination initiated by the Advisory Organization Examination Oversight (C) Working Group of the National Association of Insurance Commissioners (“NAIC”). The period of examination was January 1, 2006, through December 31, 2010.
4. The multi-state examination was commenced on July 6, 2010, and was completed on November 4, 2011.

5. The Report was provided to NCCI on January 20, 2012 by the Florida Office of Insurance Regulation, on behalf of the lead states.

6. The Report contains two recommendations, regarding form development review and efficiency, and seven observations, regarding information systems and physical security.

7. The NCCI developed its response to the Report and provided that response to the participating states on January 23, 2012, addressing the two recommendations in the Report.

8. The Report was final on February 28, 2012. The Report of Examination is incorporated herein by reference, as if set out in full.

CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact, the Commissioner makes the following Conclusions of Law:

9. The Commissioner and the Department have jurisdiction over the parties and the subject matter contained herein pursuant to Ark. Code Ann. §§ 23-61-201, *et seq.*, and § 23-67-220(d).

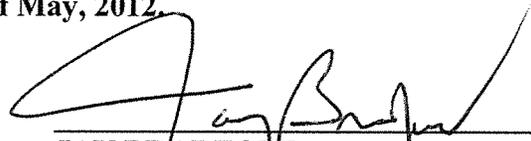
10. Pursuant to Ark. Code Ann. § 23-67-220(d), in lieu of any examination, the Commissioner may accept the report of an examination by the insurance supervisory official of another state.

11. The Commissioner accepts all findings, recommendations and observations in the Report.

12. This Adoption Order has been properly entered in accordance with the Arkansas Insurance Code and Department Rules.

THEREFORE, pursuant to the provisions of Ark. Code Ann. §§ 23-61-201, *et seq.*, § 23-67-220(d), and other applicable laws and rules, the Commissioner hereby orders that the Report of Examination for NCCI as of December 31, 2010, a multi-state market conduct examination, and received by NCCI on January 20, 2012, is hereby adopted in its entirety by the Arkansas Insurance Department.

IT IS SO ORDERED this 23rd day of May, 2012.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS